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C O N F I D E N T I A L CAIRO 000199

E.O. 12958: DECL: 2020/02/11
TAGS: <u>EAID PREL PGOV EG</u>
SUBJECT: GOE Blinks on Endowment Proposal, Fails to Budge on North Sinai Initiative

REF: STATE 8866

CLASSIFIED BY: Margaret Scobey, Ambassador; REASON: 1.4(B), (D) 1.(C) Key Points: -- The GOE for the first time has indicated some flexibility on the funding level and timing of its endowment proposal, but t 2.(C) The Ambassador met with Minister of International Cooperation(MIC) Fayza Aboulnaga February 3 and discussed the FY2011 assistance budget, 3.(C) The Ambassador began the meeting by mentioning her January 28 conversation with Aboulnaga in which, per reftel, she conveyed the FY 2011 4.(C) Aboulnaga advised that the GOE had recently decided to phase out all official development assistance (ODA) in 10 years. She briefly revie 15. (C) Citing briefly several of the previously and repeatedly stated U.S. concerns about the GOE endowment proposal, the Ambassador reiterate 6.(C) The Ambassador again raised with Aboulnaga the lack of progress on the FY 2009 Supplemental-funded economic development program for the N 7.(C) With a heavily annotated copy of the latest draft agreement in hand, Aboulnaga, along with her senior advisor Marwan Badr, proceeded to c